

Message Text

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PAGE 01 LISBON 05608 01 OF 02 281823Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03
NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11 COME-00
EB-08 LAB-04 SIL-01 DOTE-00 FMC-01 CG-00 DLOS-09
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P R 281651Z JUL 78
FM AMEMBASSY LISBON
TO SECSTATE WASHDC PRIORITY 6491
INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY MADRID
AMEMBASSY MOSCOW
AMCONSUL OPORTO
AMEMBASSY PARIS
AMCONSUL PONTA DELGADA
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DIA WASH DC
USNMR SHAPE BEL
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LIMITED OFFICIAL USE SECTION 1 OF 2 LISBON 5608

E.O. 11652: N/A
TAGS: ELAB PO
SUBJ: MERCHANT SEAMEN AND HOTEL WORKER DISPUTES ESCALATE

SUMMARY: THE CONTINUED REFUSAL OF CARGO HANDLING SEAMEN
TO WORK OVERTIME IS THREATENING OPERATIONS OF THE PORTUGUESE
MERCHANT MARINE PARTICULARLY IN FUEL DELIVERIES.
LAST DITCH EFFORTS TO MEDIATE A CONTRACT DISPUTE IN THE HOTEL
AND TOURIST INDUSTRY HAVE FAILED AND A NATIONWIDE STRIKE
HAS BEEN SET FOR JULY 29. THE CONFLICTS ARE NOT POLITICALLY
MOTIVATED, BUT COULD POSE BOTH ECONOMIC AND POLITICAL
PROBLEMS IF NOT RESOLVED SOON. END SUMMARY.
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PAGE 02 LISBON 05608 01 OF 02 281823Z

1. AFTER SEVERAL MONTHS OF RELATIVE LABOR PEACE THE GOP
IS FACED WITH TWO MAJOR AND POTENTIALLY HARMFUL LABOR DIS-
PUTES. DESPITE GOVERNMENT REQUISITION ORDERS WHICH BROUGHT
THE CREWS OF SEVEN SHIPS UNDER PUBLIC JURISDICTION, SEAMEN
CONTINUE TO REFUSE TO WORK CUSTOMARY OVERTIME THUS THREATENING
TO CRIPPLE THE MERCHANT FLEET. THEY HAVE ALSO THREATENED

AN ALL OUT STRIKE ON AUGUST 2 IF CURRENT MEDIATION EFFORTS FAIL. IN AN UNRELATED ACTION, UPWARDS TO 100,000 HOTEL AND RESTAURANT WORKERS ON THE MAINLAND AND MADEIRA ARE SCHEDULED TO STRIKE FOR 24 HOURS ON JULY 29, THE HEIGHT OF THE TOURIST SEASON. TOURIST INDUSTRY NEGOTIATIONS HAVE BEEN SUSPENDED AND LABOR MINISTRY OFFICIALS ARE PESSIMISTIC ABOUT PROSPECTS FOR EARLY RESOLUTION OF THE CONFLICT.

2. MERHANT MARINE: ORGANIZED SEAMEN HAVE DEFIED GOVERNMENT ORDERS TO RESUME NORMAL WORK SCHEDULES. THE CREWS OF FIVE OF SEVEN SHIPS REQUISITIONED BY THE GOVERNMENT HAVE ALSO REFUSED TO COMPLY. THE REFUSAL TO WORK OVERTIME IS BASED LARGELY ON UNION DEMANDS FOR A 20 PERCENT WAGE INCREASE. THE FEDERATION OF SEAMEN'S UNIONS IS THREATENING A FULL SCALE STRIKE ON AUGUST 2 IF THE DEMANDS ARE NOT MET. THE UNIONS ARE SEEKING TO IMPROVE UPON AN ALREADY GENEROUS 1975 COLLECTIVE AGREEMENT WHICH WAS FORCED ON SHIPOWNERS BY THE GONCALVES REGIME AND GRANTED WORKERS EXORBITANT WAGE AND WORK RULE BENEFITS FROM WHICH THE INDUSTRY CLAIMS IT HAS YET TO RECOVER. ON JULY 27 THE OWNERS FINALLY AGREED TO NEGOTIATE AND HAVE OFFERED AN 11 PERCENT WAGE BOOST. MANAGEMENT IS ALSO SEEKING TO INCREASE THE WORK WEEK FROM 50 TO 56 HOURS. THE SEAMEN, WHO GENERALLY WORK A TOTAL OF SEVEN MONTHS A YEAR, HAVE REJECTED THIS AND OTHER PROPOSALS AIMED AT REDUCING WHAT SHIPOWNERS FEEL ARE EXCESSES IN THE CURRENT AGREEMENT. THE UNIONS HAVE NOT YET RESPONDED TO MANAGEMENT'S LIMITED OFFICIAL USE

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PAGE 03 LISBON 05608 01 OF 02 281823Z

11 PERCENT OFFER.

3. STERNER MEASURES: FUEL DELIVERIES TO THE AZORES AND MADEIRA HAVE BEEN DISRUPTED AND BOTH REGIONAL GOVERNMENTS HAVE APPEALED TO THE GOP FOR STERNER MEASURES. THE MINISTRY OF TRANSPORT AND COMMUNICATIONS HAS ALREADY SUSPENDED THE CREW OF ONE SHIP FOR 160 DAYS FOR REFUSING TO OBEY REQUISITION ORDERS AND IS CONTEMPLATING ADDITIONAL SUSPENSIONS. IN A RELATED ACTION, THE MINISTRY HAS ALSO STRIPPED THE UNIONS OF THEIR ROLE IN HIRING PROCEDURES AND IS PREPARING A SPECIAL WORK REGULATION AIMED AT ENDING THE CONFLICT. UNION OFFICIALS HAVE ALREADY DECLARED THAT THEY WILL IGNORE THE REGULATION IF THEIR CONTRACT DEMANDS ARE UNFULFILLED.

4. PROTESTS IN AZORES: ON JULY 25 THE CONFLICT INTENSIFIED WHEN THE FEDERATION OF SEAMENS' UNIONS ORDERED A SHIP TO RETURN TO LISBON FROM PONTA DELGADA WITH AN UNLOADED CARGO OF FUEL. ACCORDING TO A UNION SPOKESMAN, THE MOVE WAS PROMPTED BY CONCERN FOR THE SAFETY OF THE CREW AFTER DEMONSTRATORS, ALLEGEDLY MEMBERS OF FLA, ATTEMPTED TO CUT MOORING LINES. THE REGIONAL GOVERNMENT RESPONDED TO A UNION TELEGRAM PROTESTING THE INCIDENT STATING THAT IT GUARANTEES THE SAFETY OF CREWS BUT

ALSO DEMANDS RESPECT FOR THE LEGITIMATE INTERESTS OF A POPULATION ISOLATED IN THE MID-ATLANTIC. ACKNOWLEDGING THE REGIONAL GOVERNMENT'S GUARANTEE, THE UNION HAS ORDERED THE SHIP TO RETURN TO PONTA DELGADA.

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PAGE 01 LISBON 05608 02 OF 02 281809Z
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LIMITED OFFICIAL USE SECTION 2 OF 2 LISBON 5608

5. HOTEL IMPASSE: HOTEL AND RESTAURANT OWNER ASSOCIATIONS EXCEPT IN THE ALGARVE HAVE FLATLY REFUSED TO NEGOTIATE WITH THE NATIONAL UNION OF HOTEL, TOURISM, AND RESTAURANT WORKERS ON DEMANDS FOR A 30 PERCENT WAGE INCREASE. ON JULY 28, THE HOTEL OWNERS ASSOCIATION OF THE ALGARVE INDICATED A WILLINGNESS TO NEGOTIATE BUT SINCE THE CONTRACT IS VERTICAL AND NATIONWIDE, A PARTIAL SETTLEMENT IS NOT CONSIDERED LIKELY. HOTEL OWNERS IN THE NORTH ARE EVEN INSISTING THAT WAGES BE CUT IN ORDER TO COMPENSATE FOR INDUSTRY LOSSES DUE TO LABOR COSTS SINCE THE 1974 REVOLUTION. THE OWNERS ALSO REFUSED TO NEGOTIATE WAGE DEMANDS IN 1976 WHICH RESULTED IN THE GOVERNMENT DECREETING A WAGE INCREASE. THE OWNERS HAVE DENOUNCED THE GOP FOR ITS
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PAGE 02 LISBON 05608 02 OF 02 281809Z

FAILURE TO "NORMALIZE" THE TOURIST INDUSTRY WHICH WAS CONVULSED WITH WORKER TAKEOVERS AND PRACTICALLY DESTROYED IN THE POST-REVOLUTIONARY FEVER OF 1974-75. THE UNIONS HAVE COUNTERED WITH A NATIONWIDE STRIKE CALL AND HAVE THREATENED ADDITIONAL STRIKE ACTION IF DEMANDS ARE NOT MET. THUS THE TOURIST INDUSTRY WHICH HAS MADE A SLOW AND DIFFICULT RECOVERY MAY FACE RENEWED INSTABILITY.

6. COMMENT: THE MARITIME AND HOTEL WORKER UNIONS ARE AFFILIATED TO THE COMMUNIST-DOMINATED GENERAL WORKER CONFEDERATION (CGTP). HOWEVER, OTHER THAN THE POLITICAL NECESSITY OF PROTECTING THE IMMENSE GAINS ALREADY WON, THE CONFLICTS DO NOT APPEAR TO BE POLITICALLY INSPIRED OR PART OF ANY ORCHESTRATED MOVE AGAINST THE GOVERNMENT. FOR SEVERAL MONTHS NOW, IN KEEPING WITH PCP STRATEGY, THE CGTP HAS ESCHEWED DIRECT CONFRONTATIONS. IT LAUNCHED STRONG VERBAL ATTACKS AGAINST THE NOW DISSOLVED PS/CDS COALITION AND ATTEMPTED TO EXPLOIT PUBLIC WORKER DISCONTENT TO PUT PRESSURE ON THE SOARES GOVERNMENT, BUT HAS OTHERWISE EXERCISED RESTRAINT IN LABOR DISPUTES. EVEN IF THESE PARTICULAR CONFLICTS ESCALATE FURTHER THE CGTP RESPONSE WILL LIKELY FALL SHORT OF OPEN CONFRONTATION. SHOULD GENERAL RANK-AND-FILE DISSATISFACTION WITH ECONOMIC CONDITIONS CONTINUE TO MOUNT, HOWEVER, WHICH COULD BE A FACTOR IN UPCOMING NEGOTIATIONS IN THE METALLURGICAL AND CIVIL CONSTRUCTION INDUSTRIES, THE PCP MIGHT BE FORCED TO REEVALUATE ITS LABOR STRATEGY.

7. WHILE THIS TEMPORIZING PCP STRATEGY IS A PLUS FACTOR, THE GOP IS STILL CONFRONTED WITH A FORMIDABLE TASK IN RESOLVING THE MERCHANT MARINE AND HOTEL DISPUTES. SETTLEMENTS CAN BE DECREED BUT GIVEN THE INTRANSIGENCE ON BOTH SIDES THUS FAR, AND THE CONTINUING GOVERNMENT CRISIS, THE ACCEPTABILITY OF SUCH DECREES WOULD BE PROBLEMATIC. THE PARTIES IN BOTH DISPUTES HAVE BEEN RELUCTANT TO NEGOTIATE. A FRUSTRATED LABOR MINISTRY

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PAGE 03 LISBON 05608 02 OF 02 281809Z

OFFICIAL TOLD US YESTERDAY THAT LABOR AND MANAGEMENT IN THE COUNTRY AS A WHOLE ARE TOTALLY UNPREPARED TO NEGOTIATE. "THEY SIMPLY DON'T KNOW HOW TO BECAUSE FOR 40 YEARS THEY NEVER HAD TO."

BLOOMFIELD

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Message Attributes

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